

# Pensions employer newsletter

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Welcome to the latest edition of our employer newsletter. I hope you've all been enjoying the long weekends we've been lucky to have recently.

With this edition, we've dedicated page 3 to communications. This includes keeping your employees' data secure; helping them with pension queries; encouraging them to sign up for their online pension account; and helpful resources for employers.

We've also suggested adding a pensions shortcut to your employees desktop so they can easily get to the information they need to help them with their pension.

Thanks to all of you for checking your employees data to help us prepare for the McCloud judgement. We've an update on this topic and how it affects your employees pensions on page 4. Please remind your employees to check the details on their pension statements carefully and let us know if there are any changes we need to make.

You may have also heard about the recent changes to pension tax and the CARE revaluation date. Take a look at page 5 to see how these changes may affect your employees.

Our 2 minutes with section features someone most of you will have had contact with. Check out page 6 to find out who it is. You'll also find the dates for our next free training webinars and the best ways to contact us.

As always, we value your feedback and would love to know your thoughts.

Cory Blose - Employer Services and Communications Manager

The employer services team: contact us at [PenEmployers@westnorthants.gov.uk](mailto:PenEmployers@westnorthants.gov.uk)



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## Communications

### Keeping data secure through Egress

If we need to share sensitive data with you, we'll send this through Egress our encrypted email solution. If you haven't already got an Egress account it's free to [sign up](#).

When we send you a [secure email](#), click on the 'Open secure email' button. You'll then be asked to sign in to see the message we've sent you.

If your IT department blocks encrypted emails, please ask them to release it for you. If you need help please contact the Egress help desk on 020 7624 8500. If you're still having problems, please get in touch at

[PenEmployers@westnorthants.gov.uk](mailto:PenEmployers@westnorthants.gov.uk) so we can try and help.

### Help us to help your employees

Why not add a [pensions shortcut](#) to your employees desktop? It will make it easier for them to access helpful [factsheets](#), [forms](#), [videos](#) and [newsletters](#).



They can find out:

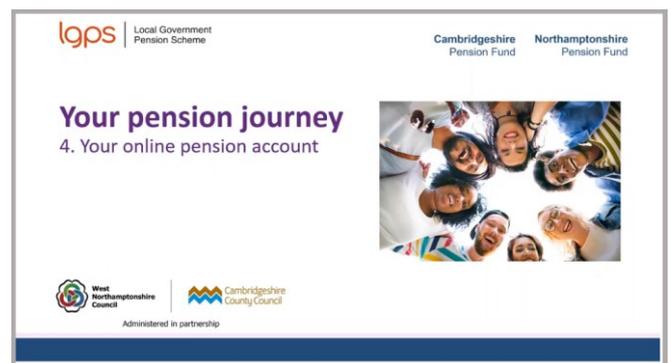
- how to [pay more](#) or [less](#)
- about their [early retirement choices](#)
- about how their [family are protected](#)
- how to [update their details](#)
- how to [transfer in a previous pension](#)

## Online pension account

We'll be updating members [online pension accounts](#) with their statements soon. Less than half of our members have [signed up](#) for this service. Please encourage your employees to register. Accessing their data online helps to keep it secure, saves trees, and saves them storage space. They can also:

- update their address and who they want to get the lump sum death grant
- see how much their pension might be if they retire early or later
- look at their options for exchanging some of their pension for a lump sum
- see their pension statements and any letters from us.

Take a look at this [video](#) to find out more.



## Employer resources

To help you promote the benefits of the LGPS we've created some posters for you. You can find these on the [forms, booklets and guides page](#) of our employers website. Here, you'll also find the recently updated HR and payroll guides, i-Connect guides, leavers form and ill health certificates. Make sure we have the right contacts for your organisation by filling in the employer contacts request form.

The LGPS also have some useful resources for employers on their [website](#), including some backdated pay award FAQs.

# The McCloud judgement and your employees' LGPS pension

## Background

In 2014, the LGPS changed from a final salary scheme to a career average scheme. At the time, protections were put in place for older scheme members. This allowed pension funds to work out if their benefits would've been better in the final salary scheme or the new scheme. The higher of the two was then paid.



Following a court ruling (commonly known as the McCloud judgement) it was decided that the rules were unlawful and unfair to younger members. Revised rules are expected to be brought into the LGPS later this year.

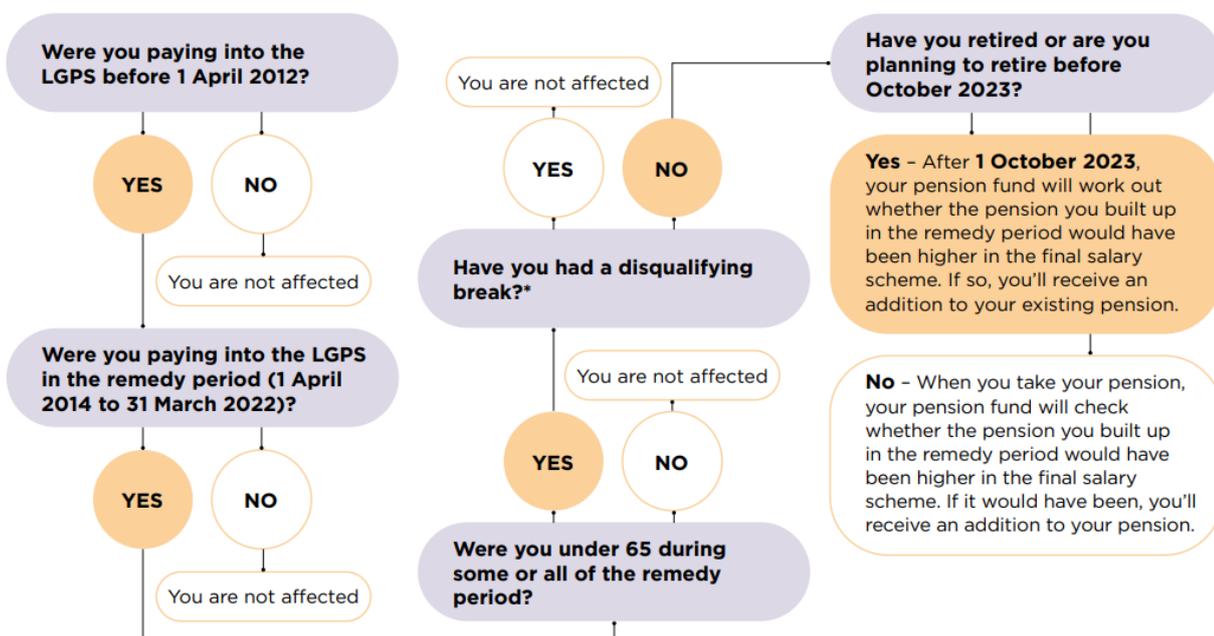
## Your employees' LGPS pensions data

Thank you for checking your employees' pensions data. We've updated our systems with any changes you highlighted.

We'll be sending your employees' pension statements in the summer. Please remind them to check their details carefully and let us know if there are any changes we need to make.

## Will your employees be affected by the McCloud judgement?

The Government have published a [factsheet](#) on McCloud to help them understand if they may be affected. If they think they may be affected, they **don't need to do anything**. If they qualify for protection, we'll work out if an addition is due to be paid to them when they take their pension. You can find more information on the [LGPS member website](#).



\* If you have changed jobs, underpin protection could apply to you. This will depend on your circumstances and the rules of aggregation which are being considered by the Government.

## Changes to pension tax rules

The contributions your employees pay to the LGPS are tax-free up to certain limits. The Government has recently made changes to these limits.

There are two main allowances for pension savings – a lifetime allowance and an annual allowance.

### Annual allowance

The annual allowance (AA) is set by HMRC. It's the maximum your employees' pensions can increase by in a tax year before they get taxed. From 6 April 2023, the AA will increase from £40,000 (in 2022/2023) to £60,000.

The money purchase AA will also increase from £4,000 to £10,000 on the same date. Changes will also be made to the tapered AA. The adjusted income level will increase from £240,000 to £260,000 and the minimum tapered AA will increase from £4,000 to £10,000. For more information, please visit the [LGPS member website](#).

### Lifetime allowance

The lifetime allowance (LA) is the total capital value of all their pension arrangements. This doesn't include:

- their state pension
- pension credit
- any partner's or dependant pension they may be entitled to

as they can build these up without triggering a tax charge.

No-one will pay a LA tax charge from 6 April 2023. The LA will be abolished completely from 6 April 2024.

## Changes to the CARE revaluation date

The Government have changed the LGPS regulations to move the annual revaluation date from 1 April to 6 April. The updates were effective from 31 March 2023.

### How does this impact our employees?

The date that LGPS pensions for active scheme members are increased will be brought in line with inflation, so they match the date of the Pension Input Period. The Pension Input Period is used for measuring pensions growth against the annual allowance (AA). For active members of the scheme, it means that the date their CARE benefits are revalued will be 1 April, rather than 6 April.



### Does this change pension statements?

There should be no impact on the Annual Benefit Statements for active members in 2023. This is because these are usually calculated as at 31 March 2023 and so won't include the April 2023 revaluation. From the tax year 2023/24 onwards, the inflationary increase used in the AA calculation and the annual revaluation will both use the same CPI figure. For 2023/24 this will be 10.1 percent.

## 2 minutes with... Nick Percival



Nick's worked in pensions for nearly 8 years and as an Employer Liaison Officer for nearly 4. Most of you will have either met him at our Employer forums, seen him at one of our training webinars, or spoken to him on the phone.

### What's the favourite part of your job?

I really enjoy the variety and helping people engage with something that might seem complex/technical at first.

### What's the most challenging part of your job?

Where pensions has been an afterthought, it can be challenging to help people understand the importance of pensions, for themselves and their staff.

### What's your greatest achievement?

I'm most proud of my sporting achievements; like cycling from London to Paris, half marathons, and Spartan races.

### What's the one thing in the world you couldn't live without?

My friends, family, and my dog a Shiba Inu.

### If you could go anywhere in the world, where would it be?

I'm lucky to have explored a bit of the world, but I'd love to see some of British Columbia and West Coast America.



## Dates for your diary

### Free training

- **Tupes and outsourcing webinar**  
10am Thursday 25 May
- **Employer discretions webinar**  
10am Tuesday 20 June
- **Employer responsibilities webinar**  
10am Tuesday 4 July

You can find more information on our training webinars on our [website](#)

You can also access training on assumed pensionable pay (APP) and final pay on the [LGPS regulations and guidance website](#).



### Contact details

#### General employer queries

[penemployers@westnorthants.gov.uk](mailto:penemployers@westnorthants.gov.uk)

01604 364621

#### General member queries

[pensions@westnorthants.gov.uk](mailto:pensions@westnorthants.gov.uk)

01604 366537

#### Login and registration queries

[MyPension@westnorthants.gov.uk](mailto:MyPension@westnorthants.gov.uk)

Images: Freepik.com